

From: [Dave Nessler-Cass](#)
To: [HOLMAN Jeannette * DCBS](#)
Cc: [Cali Laura N](#); [Craig Anderson](#); [Theresa Barney](#); [Jim Francesconi](#)
Subject: OR Small Group Expansion
Date: Monday, October 12, 2015 8:20:30 AM

Dear Ms. Holman,

Thank you for the opportunity to provide input regarding the expansion of the small group market to include employers with 1-100 employees. This is an important issue that deserves careful consideration. Moda Health requests that the Oregon Insurance Division delay the expansion of the small group market for as long as possible under its rulemaking authority. A delay of at least two years (until 2018) would give all involved parties and policymakers additional time to review options to promote the future health of the small group market and to meet the needs of mid-sized employers in Oregon. This delay is warranted given the strong message sent by Federal House Resolution 1624, which established 1-50 as the small employer definition under federal law. Federal policymakers recognized that many employers with 51-100 employees would experience significant rate increases if moved into the small group market, and took action accordingly to remove the driver of this change at the federal level.

This change would be disruptive for mid-sized employers. These employers are accustomed to purchasing coverage in the large group market and use such coverage to meet the needs of their unique business environment. Particularly, the needs and demographics of the employee populations among mid-sized employers vary greatly. For example, the ages, education levels and income levels vary greatly from one employer to another. The large group market allows additional flexibility to design benefits around the unique needs of an employer's population.

Additionally, some mid-sized employers are already making changes to their employee benefits practices in order to meet the federal requirement to provide coverage to full-time employees. Moving these employers into the small group market would add an additional layer of complexity to their decision-making at an already challenging time.

For these reasons, we ask the Division to delay expansion of the small group market. Moda Health attended the public meeting on this topic on Thursday, October 8th and noted a near complete absence of resistance to this change. All attending representatives of employers, producers and insurers urged the Division to delay expansion. We ask the Division to act on this stakeholder consensus and delay accordingly.

Thank you again for the opportunity to comment.

Dave

Dave Nessler-Cass



Director, Regulatory Affairs

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I'm excited to announce that ODS Health is now Moda Health. Please make a note of my new email address, dave.nesselercass@modahealth.com, so we can stay connected.

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